

FINAL TERMS

Final Terms dated 13 September 2016

Iberdrola International B.V.

(incorporated with limited liability in The Netherlands and having its corporate seat in Amsterdam)

Issue of

EUR 700,000,000 0.375% Green Bonds due 15 September 2025

Guaranteed by
Iberdrola, S.A.

Under the EUR 20,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of Notes issued by Iberdrola International B.V. set forth in the Base Prospectus dated 22 June 2016 (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Final Terms have been published on the website of the Luxembourg Stock Exchange at www.bourse.lu and are available for viewing at the registered office of the Issuer at Rapenburgerstraat 179D, 1011 VM Amsterdam, The Netherlands, and of the Fiscal Agent at The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom and copies may be obtained from the Fiscal Agent at its aforementioned registered address.

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|----|-------|--|--|
| 1. | (i) | Series Number: | 113 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | Euro (“€”) |
| 3. | | Aggregate Nominal Amount admitted to trading: | €700,000,000 |
| 4. | | Issue Price: | 98.946 per cent. of the Aggregate Nominal Amount. |
| 5. | | Specified Denominations: | €100,000 and integral multiples of €100,000 thereafter |
| 6. | (i) | Issue Date: | 15 September 2016 |
| | (ii) | Interest Commencement Date: | Issue Date |

7.	Maturity Date:	15 September 2025
8.	Interest Basis:	0.375% (see item 12 below)
9.	Change of Interest Basis:	Not Applicable
10.	Put/Call Options:	Change of Control Put Option (see paragraph 17 below)
11.	Date Board approval for issuance of Notes obtained:	8 September 2016

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	0.375 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	15 September in each year commencing on 15 September 2017 up to and including the Maturity Date.
	(iii) Fixed Coupon Amount(s):	€375 per Specified Denomination
	(iv) Broken Amount(s): <i>(Applicable to Notes in definitive form)</i>	Not Applicable
	(v) Day Count Fraction:	Actual/Actual(ICMA)
	(vi) Determination Dates:	15 September in each year
13.	Floating Rate Note Provisions	Not Applicable
14.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

15.	Call Option	Not Applicable
16.	Put Option	Not Applicable
17.	Change of Control Put:	Applicable
	(i) Optional Redemption Amount:	As per Conditions
	(ii) Notice periods:	As per Conditions
18.	Residual Maturity Call Option	Not Applicable
19.	Substantial Purchase Event	Not Applicable
20.	Final Redemption Amount	€100,000 per €100,000 in nominal amount

21. Early Redemption Amount

Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 6):

As per Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. (a) Form of Notes:

Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

(b) New Global Note:

Yes

23. Financial Centre(s) or other special provisions relating to Payment Dates:

TARGET2 Business Days

24. Talons for future Coupons to be attached to Definitive Notes:

No

25. Consolidation provisions:

Not Applicable

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: Application has been made for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from 15 September 2016.
- (ii) Estimate of total expenses related to admission to trading: €3,400

2. RATINGS

Ratings: The Notes to be issued have been rated:

Standard & Poor’s Rating Services, a division of the McGraw Hill Companies, Inc. (**S&P**): BBB+ (stable)

Moody’s Investor Service Limited (**Moody’s**): Baa1 (positive)

Fitch Ratings Limited (**Fitch**): BBB+ (stable)

S&P, Moody’s and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended). As such, each of S&P, Moody’s and Fitch is included in the list of credit rating agencies published by the European Securities and Market Authority on its website in accordance with such Regulation (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware and save for the fees paid to the Managers, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business. For the purpose of this paragraph the term “affiliates” includes also parent companies.

4. YIELD

Indication of yield: 0.495% per. cent (annual)

5. OPERATIONAL INFORMATION

ISIN Code: XS1490726590

Common Code: 149072659

Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): Not Applicable

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs), being Euroclear and Clearstream, Luxembourg, as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

6. DISTRIBUTION

(a) Method of distribution: Syndicated

(b) If syndicated, names of Managers: Banco Bilbao Vizcaya Argentaria, S.A.
Banco Santander, S.A.
Crédit Agricole Corporate and Investment Bank
Commerzbank Aktiengesellschaft
Deutsche Bank AG, London Branch
J.P. Morgan Securities plc
Morgan Stanley & Co. International plc
UBS Limited

(c) Date of Agreement: 13 September 2016

(d) Stabilisation Manager(s) (if any): Not Applicable

(e) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D